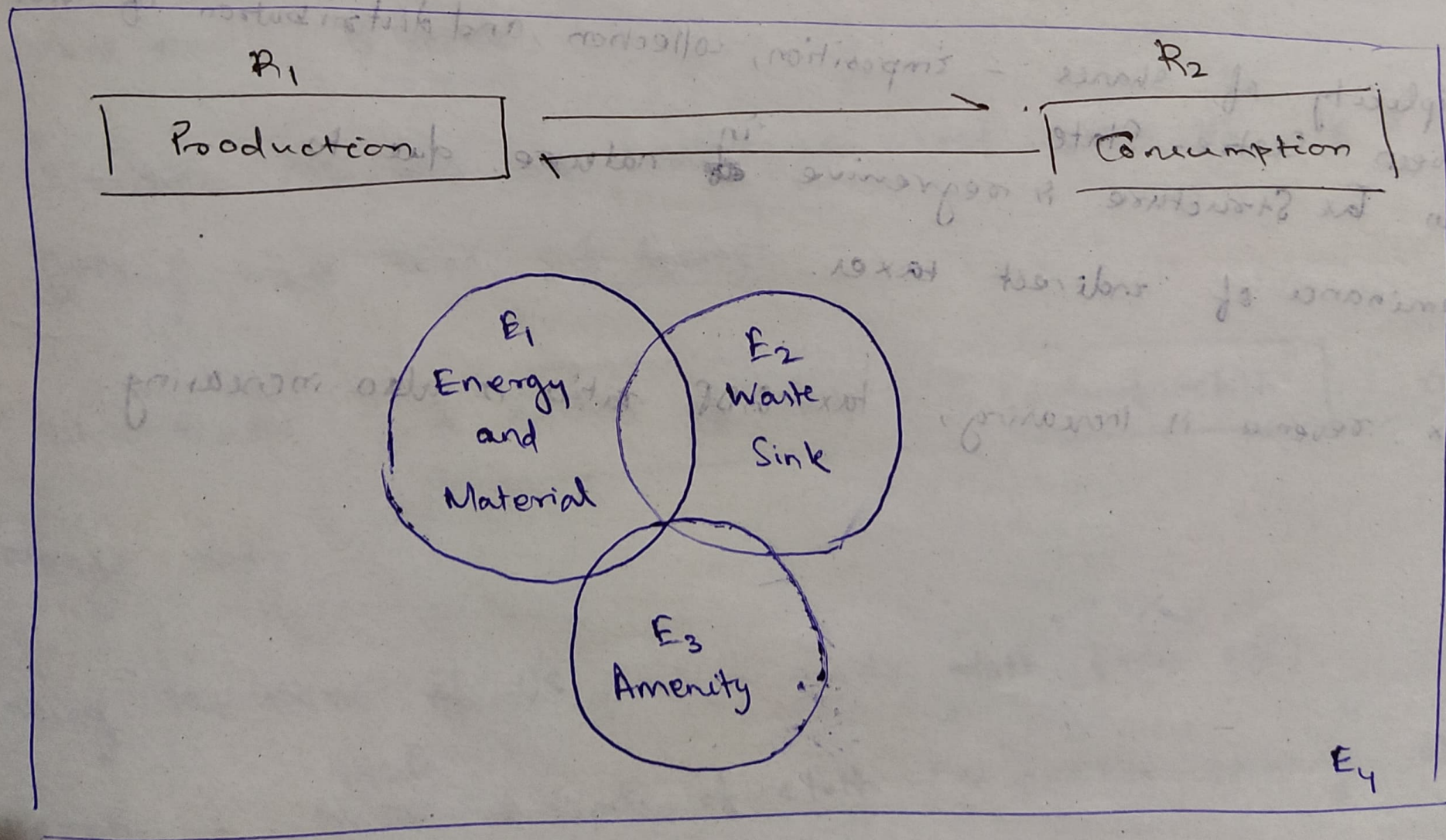


# ENVIRONMENT - ECONOMY LINKAGE





The economy is divided into 2 sectors - prod<sup>n</sup> & consumpt<sup>n</sup>

Exchange of goods, services and factors of prod<sup>n</sup> take place b/w 2 sectors. The environment has been depicted in 2 ways -

- (i) Three-interlinked circle  $E_1$ ,  $E_2$  and  $E_3$  and,
- (ii) all encompassing  $E_4$

The production sector extract energy resources such as oil material resources and iron ore from the environment.

These are transformed into output.

Some useful goods and services supplied to consumers and some of which are waste products such as  $SO_2$ ,  $CO_2$ , etc.

There is some recycling of resources within the production sector as indicated by  $R_1$  and within the consumpt<sup>n</sup> sector as indicated by  $R_2$ .

These wastes may result directly from production or from consumption. When an individual puts out their garbage. when they drive to work.

for eg, organic emissions from a distiller are broken

down by natural process by

the action of microorganisms into their chemical components. Whether this results in harmful effect on the

estuary depends on a no. of factors including the



Volume of waste relative to the volume of ~~distilling~~ ~~and~~ receiving water, the temperature of the water and its rate of replacement.

## INTER LINKAGES BETWEEN ENVIRONMENT AND POPULATION

Population explosion aggravates pressure on the environment

Population explosion is a menace in the third-world countries which are at present passing through the 2nd stage of demographic transition.

The rapid growth of population in LDCs has led to land, water and fuel wood, shortage in rural areas and to urban health crisis due to lack of sanitation and pure water.

If we continue with accelerating environmental degradation, it will severely damage the ability of present & future generations to meet their needs.

Hence, an appropriate population policy ~~not~~ aiming at reducing the birth rate which will facilitate the intensification of many environmental problem.

## ENVIRONMENT AS A NECESSITY AND LUXURY

Rapid environmental degradation that has been taking place all over the world in the recent decades has alarmed economists and environmentalists.

Most of the economists are now convinced that unless strong steps are

taken to preserve the environment, the future is doomed.



Damage to the environment has 3 potential costs to present and future human welfare.

① Environment degradation harms human health.

As noted by WDR, 1992; human welfare is reduced by pre-mature mortality caused by degradation of air and water quality and by other environmental risks.

② Pollutants ~~can~~ cause health problem due to direct exposure or indirectly through changes in physical environment.

③ Environmental degradation reduces economic productivity.

Impaired health may lower human productivity, and environmental degradation reduces the productivity of many resources directly by people.

④ Environmental degradation leads to loss of amenities.

Amenities include values that range from those associated with recreation to those holding deep spiritual views about the intrinsic worth of the ~~world~~ natural world.

Amenities are hard to measure than costs



## As a Luxury

According to economists, there is a conflict of sorts. b/w economic growth and environmental protection. The process of economic growth are invariably accompanied by increased level of pollution and environmental degradation. It is said that since the developing countries have very low level of income, widespread poverty and high unemployment levels, they have no choice but to focus on economic growth.

At the present level of development, ~~the~~ focusing on environmental issues is a luxury for LDCs that they cannot afford.